



JAMES A. NOYES, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE  
REFER TO FILE: **T-5**

June 27, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**STREET LIGHTING DISTRICTS  
ANNEXATIONS AND LEVYING OF ASSESSMENTS FOR  
COUNTY LIGHTING MAINTENANCE DISTRICT 1687  
AND COUNTY LIGHTING DISTRICT LLA-1, UNINCORPORATED ZONE,  
AND EXCHANGE OF PROPERTY TAX REVENUES  
FOR APPROVED TENTATIVE SUBDIVISION TERRITORIES  
SUPERVISORIAL DISTRICTS 1, 2, 4, AND 5  
3 VOTES**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Adopt the enclosed Resolution of Intention to Annex Approved Tentative Subdivision Territories to County Lighting Maintenance District 1687 and County Lighting District LLA-1, Unincorporated Zone, and to Order the Levying of Assessments within the Annexed Subdivision Territories listed in the enclosed Appendix A, for Fiscal Year 2003-04.
2. Set a date for a public hearing regarding the proposed annexation of Approved Tentative Subdivision Territories and levying of annual assessments based on the Fiscal Year 2002-03 Annual Engineer's Report, which establishes assessments based on land-use type for all zones within County Lighting District LLA-1 for street lighting purposes, with a base annual assessment rate of \$5 for a single-family home for the Unincorporated Zone.

3. Instruct the Executive Officer of your Board to cause notice of the public hearing by mail, at least 45 days prior to the date of hearing scheduled for 9:30 a.m. on August 27, 2002. The mailed notice will include assessment ballots.

**AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize the tabulation of assessment ballots submitted, and not withdrawn, in support of or in opposition to the proposed assessments for each approved tentative subdivision territory, and determine whether a majority protest against the proposed assessment exists in each territory.
2. If there is no majority protest against the proposed assessments, adopt the enclosed Resolution Ordering Annexation of Approved Tentative Subdivision Territories to County Lighting Maintenance District 1687 and County Lighting District LLA-1, Unincorporated Zone, either as proposed or as modified by your Board, and the enclosed Joint Resolution Approving and Accepting the Exchange of Property Tax Revenues resulting from the annexation of territories to County Lighting Maintenance District 1687, except the annexations and the exchange of property tax revenues shall not be effective until the final subdivision maps are filed with the Registrar-Recorder/County Clerk, and the maps conform with Section 58850 of the Government Code. The adoption of the Resolution Ordering Annexation shall constitute the levying of assessments for Fiscal Year 2003-04, following the filing of subdivision maps with the Registrar-Recorder/County Clerk, and conformance of the maps with Section 58850 of the Government Code.
3. Find that the annexations and assessments are to meet operating expenses; purchase supplies, equipment, or materials; meet financial reserve needs and requirements; and obtain funds for capital projects, including the operation and maintenance of street lights necessary to maintain service within the proposed annexation areas.

The Honorable Board of Supervisors

June 27, 2002

Page 3

4. Instruct the Executive Officer of your Board to file copies of the enclosed with the County Assessor, Ownership Services Section, and Auditor-Controller, Tax Section.
5. In those subdivision territories where the proposed annexation and levying of assessments has been rejected, and a majority protest exists, make a finding terminating the annexation, levy of assessments, and property tax transfer proceedings for that subdivision territory.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

These recommended actions are for your Board to 1) annex the Approved Tentative Subdivision Territories listed in Appendix A into County Lighting Maintenance District 1687 and County Lighting District LLA-1, Unincorporated Zone; 2) levy assessments in Fiscal Year 2003-04 on each lot or parcel lying within the proposed annexation territories, based on land-use categories that designate usage units on the basis of benefits received; and 3) approve the exchange of property tax revenues among those non-exempt agencies whose service area is subject to the jurisdictional change.

County Ordinance requires the installation of a street lighting system by a subdivider. The proposed annexation, levying of assessments, and exchange of property tax revenues are required to provide the necessary funding for the future operation and maintenance costs of these street lights.

#### **Implementation of Strategic Plan Goals**

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility as this annexation, levy of assessment, and property tax transfer provides the funding necessary for the operation of new street lighting facilities within these Annexed Subdivision Territories. It also satisfies the Goal of Service Excellence since street lights provide for the convenience and safety of the motoring public, as well as for the safety and security of people, and to a lesser extent, property, which improves the quality of life in the County.

### **FISCAL IMPACT/FINANCING**

Sufficient funds are included in the Fiscal Year 2002-03 budget to cover the annual cost for the operation and maintenance of the street lights until assessments and property tax can be collected. The assessments are subject to the results of ballot tabulation for these proposed annexation areas at the conclusion of the public hearing. Failure to annex the territory, levy assessments, and collect property tax revenues shall result in development not being allowed to record or being issued a building permit, or result in property owners/developers remaining responsible for the future operation and maintenance of the street lights.

Upon annexation, the ongoing operation and maintenance costs of the street lights within these areas will be financed by the collection of ad valorem property taxes, supplemented by assessments annually approved by your Board. The annexation will result in a minimal property tax growth transfer from other County agencies, such as the County General Fund, the County Fire Department, and the County Library.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

New developments are typically required to provide street lighting in accordance with applicable subdivision and planning and zoning ordinances as a condition of approval. The County Lighting Maintenance Districts, formed pursuant to the Streets and Highways Code, Improvement Act of 1911, permits the County Lighting Maintenance Districts to collect ad valorem property taxes for the purpose of funding the ongoing operation and maintenance of street lighting facilities within the District. The County Lighting District LLA-1, formed pursuant to the Streets and Highways Code, Landscaping and Lighting Act of 1972, permits the County Lighting District LLA-1 to levy an assessment against benefitted property owners for the purpose of providing supplemental funding for the ongoing operation and maintenance of street lighting facilities within the District.

With the passage of Proposition 218 (State Constitution, Articles XIII C and XIII D) in November 1996, it became necessary to ballot the property owners prior to imposing or increasing a street lighting assessment for the operation and maintenance costs of the street lights. As a result, the legal provisions of the Landscaping and Lighting Act and Proposition 218 now govern the process for establishing street lighting assessments. The Landscaping and Lighting Act of 1972 provides for the assessment of street lighting costs against the benefitted properties within County Lighting District LLA-1 by any formula or method which fairly

distributes the costs among all assessable lots or parcels in proportion to the estimated benefits to be received by each from the improvements. A method of distributing the street lighting costs on the basis of land use was approved by your Board on May 22, 1979, and amended on July 22, 1997, and that same method was used to compute the base rate assessments shown in the Fiscal Year 2002-03 Annual Engineer's Report.

Pursuant to the requirements of Proposition 218, an assessment ballot and public hearing notice will be mailed to property owners within each proposed annexation area no less than 45 days prior to the public hearing scheduled for August 27, 2002.

The assessment ballots, weighted according to the amount of the assessment paid by each property owner, will be tabulated at the conclusion of the public hearing. Only those ballots that are returned will be counted to establish whether a majority protest exists under the provisions of Proposition 218. The assessment cannot be levied if the weighted majority of ballots submitted are opposed to the assessment, in which case, the assessment shall be abandoned, and the annexation and tax transfer proceedings terminated.

Proposition 218 requires that a public hearing be held at a regular Board meeting. The enclosed Resolution of Intention to Annex Subdivision Territories, and the Resolution Ordering Annexation of Subdivision Territories and Levying of Assessments, must be adopted to set a date for the public hearing. Your Board may delay your determination regarding the levying of assessments until a later date, continue the public hearing to receive further testimony, or make a determination regarding the assessment at the close of the public hearing.

Section 99.01 of the Revenue and Taxation Code provides that when an area is annexed to a special district for the provision of services that were not previously provided within the territory being annexed, the special district providing the new services is entitled to a share of the growth on the 1 percent ad valorem property tax generated in the area being annexed. That share is to be taken from the other agencies, except exempt entities, which are currently receiving a share of the property taxes in the area. The affected agencies must approve and accept the exchange of property tax revenues by resolution. For those agencies under the Board's jurisdiction, the Board can act on their behalf. For those agencies with their own governing boards who fail to adopt a resolution providing for the exchange of property tax revenues, your Board can approve the exchange of property tax revenue for that agency.

The Honorable Board of Supervisors  
June 27, 2002  
Page 6

Upon your Board's approval of the Resolution of Intention, Public Works will mail to all non-exempt agencies with their own governing boards the Resolution Approving and Accepting the Exchange of Property Tax Revenues, for the agencies' approval. Resolutions approved by these agencies will be presented to your Board after the conclusion of the public hearing for your consideration.

Following the Board's approval of the annexation, levy of assessment, and exchange of property tax revenues, Public Works will file with the State Board of Equalization the statement of boundary changes as required by Section 54900 et seq. of the Government Code. The State Board of Equalization will approve the transfer of property tax revenue beginning in Fiscal Year 2003-04.

The boundaries of the proposed annexations have been reviewed and approved by Public Works and the County Assessor in accordance with the requirements of Section 58850 et seq. of the Government Code. Copies of diagrams showing the boundaries of each proposed subdivision annexation territory are included with the Resolution of Intention to Annex Subdivision Territories.

The Streets and Highways Code (Sections 5821.3 and 22608.2) provides that a territory owned by a subdivider may be annexed to a Lighting District if so provided by ordinance, without notice and hearing, or filing of an Engineer's Report. The posting and publishing requirements and filing of an Engineer's Report for these subdivision projects are, therefore, dispensed with.

The enclosed Resolutions have been approved as to form by County Counsel.

#### **ENVIRONMENTAL DOCUMENTATION**

This project is exempt from the California Environmental Quality Act under Section 21080(b)(8) of the Public Resources Code and Class 1(X)27 of the County's Environmental Document Reporting Procedures and Guidelines approved by your Board.

The Honorable Board of Supervisors  
June 27, 2002  
Page 7

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Not applicable.

**CONCLUSION**

At such time as these recommendations may be approved, please return one approved copy of this letter and the signed Resolutions to Public Works and one approved copy of the letter and Resolutions to the County Assessor, Ownership Services Section, and Auditor-Controller, Tax Section.

Respectfully submitted,

JAMES A. NOYES  
Director of Public Works

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cc: Chief Administrative Office  
County Counsel